



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Council Action to Set Dates for a Public Meeting and a Public Hearing Pursuant to Government Code §54954.6 for the Purpose of Receiving Public Testimony on Proposed Amendment to the Business License Tax Ordinance

MEETING DATE: December 21, 1994

PREPARED BY: City Attorney

RECOMMENDED ACTION: To set a public meeting for January 4, 1995 and a public hearing on February 15, 1995 to hear public testimony on proposed amendment to the City's Business License Tax Ordinance.

BACKGROUND INFORMATION: Pursuant to Government Code §54954.6, if a City proposes to increase any general tax, it is first required to hold a "public meeting" at least forty-five (45) days before the actual "public hearing" at which the ordinance increasing such tax is to be adopted. Opportunity for public input must be offered at both the public meeting and public hearing. This statute further requires that "the public meeting...shall take place no earlier than ten days after the first publication of the joint notice pursuant to this subdivision."

In order to comply with this statutory time line, the following schedule should be followed:

- December 21, 1994 - Council action setting date for Public Meeting and Public Hearing;
- January 4, 1995 - "Public Meeting" for the purpose of receiving public testimony regarding the proposed increase in business license tax;
- February 15, 1995 - "Public Hearing" for the purpose of amending the City's Business License Tax Ordinance (Introduction)
- March 1, 1995 - (If applicable) Second reading and final adoption of Ordinance

APPROVED _____

THOMAS A. PETERSON
City Manager



recycled paper

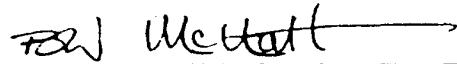
Government Code §54954.6 (2) also requires that at the public meeting (January 4, 1995) certain information on the proposed increase must be provided to the public. This information includes:

- a. The amount or rate of the tax.
- b. The activity tax.
- c. Estimated revenue to be raised annually by the tax.
- d. The method and frequency for collecting the tax.
- e. The date, time and location of the required public hearing.
- f. Telephone number and address of the person or agency where additional information can be received concerning the proposed tax.

This information is contained in the report and description of the tax prepared by Finance Director Dixon Flynn, which is provided under separate cover to this Council Communication.

FUNDING: Not applicable.

Respectfully submitted,



Bob McNatt
City Attorney

BM:pn

December 21, 1994

Honorable Mayor & City Councilmembers
City of Lodi
P. O. Box 3006
Lodi, CA 95241-1910

Gentlemen:

The Central City Revitalization Task Force met Tuesday, December 20, 1994 to review actions taken by the City Council during the Special City Council meeting December 13, 1994. Discussions during the Task Force meeting centered around the financing of the project, and in particular the Business License Tax.

I have attached a copy of the Task Force's recommendations as was presented during the Special meeting last week. I would appreciate it if you would take the time to read the attached and consider our position when you set the date this evening for the Business License Fee hearing.

Thank you for your consideration.

Sincerely,



Tony Segale, Chair
Central City Revitalization Task Force

Attachment

**Central City Revitalization Task Force
Motions**

12/8/94

"The Task Force recommends supporting the \$3.5 million project as proposed by Freedman, Tung, and Bottomley." 8-0 in support (Bob Johnson absent)

12/8/94

"In concept, the Task Force recommends the funding proposal of a 50-50 sharing (between the public and private sectors) of the cost of revitalizing Downtown and Cherokee Lane. Further, the Task Force recommends the assessment rates as proposed for the private sector funding. Finally, the Task Force recommends that after successful establishment of the Assessment District(s) and sale of the bonds, the public sector funding be provided through a business license fee increase sufficient to cover the City's obligation for capital and ongoing costs of the revitalization projects." 7-0 in support (Bob Johnson and Virginia Snyder absent)



CITY OF LODI

**Carnegie Forum
305 West Pine Street, Lodi**

NOTICE OF PUBLIC HEARING

**Date: January 4, 1995 (Public Meeting)
February 15, 1995 (Public Hearing)**

Time: 7:00 p.m.

For information regarding this notice please contact:

Jennifer M. Perrin

City Clerk

Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, January 4, 1995, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Meeting, and on February 15, 1995 at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing to consider the following matter:

- a) To consider and hear public testimony on the proposed Business License Tax Ordinance.

Business taxes will be imposed on all businesses, professions, trades, vocations, enterprises, establishments, occupations or callings conducted in the City of Lodi to which a business tax may be lawfully applied using the tax rates in Table 1 (attached). New businesses will not pay more than the minimum tax in their first year of business whether located in or outside of the City. The tax will be due and payable annually in January for the prior year except for new businesses which will pay the minimum tax at the time issued.

Businesses exempt from the business license tax:

- Minors under the age of 18 with gross receipts of less than \$5,000 per year;
- Home occupations with gross receipts of less than \$5,000 per year;
- Charitable, religious and non-profit organizations;
- Businesses exempt by Federal or State statutes, laws, franchise agreements, or other contractual agreements. This includes banks, insurance companies, their agents and other financial institutions, cafe musicians, real estate auctioneers, businesses that manufacture, sell, purchase, possess or transport alcoholic beverages.

Excluded from the calculation of gross receipts is the following:

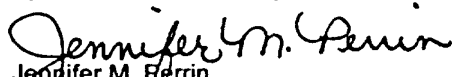
- All taxes;
- Discounts, refunds and credits;
- Passive income from investments, dividends and the occasional sale of property;
- Bad debts;
- Amounts received by one party and paid to another party by persons acting as agents, brokers and trustees.

**PUBLIC HEARING NOTICE
PROPOSED BUSINESS LICENSE TAX
JULY 6, 1994**

Table 2 (attached) shows the estimated revenue for each of the three options, and it ranges from \$887,00 to \$601,000.

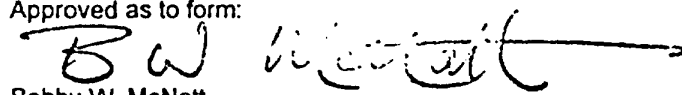
All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

By Order of the Lodi City Council:


Jennifer M. Ferrin
City Clerk

Dated: December 21, 1994

Approved as to form:


Bobby W. McNatt
City Attorney

BUSINESS LICENSE TAX RATES

TABLE 1

Business Classification	Minimum Tax *	Option 1	Option 2	Option 3
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Retail and Services				
Gross Receipts				
\$0 to \$200,000	\$30	\$40	\$30	\$20
\$200,001 to \$500,000	\$30	\$90	\$70	\$50
\$500,001 to \$900,000	\$30	\$150	\$110	\$80
\$900,001 to \$5 million	\$30	\$.60/\$1,000	\$.55/\$1,000	\$.50/\$1,000
\$5,000,001 and greater	\$30	\$.90/\$1,000	\$.75/\$1,000	\$.60/\$1,000

Contractors				
Rental Residential Property				
Rental Non-Residential Property				
Gross Receipts	\$30	\$.60/\$1,000	\$.55/\$1,000	\$.50/\$1,000

Public Utilities				
Administrative Headquarters				
Gross Receipts	\$30	\$.40/\$1,000	\$.35/\$1,000	\$.30/\$1,000

Professions				
Gross Receipts	\$30	\$.90/\$1,000	\$.75/\$1,000	\$.60/\$1,000

Recreation and Entertainment				
Hotel/Motel Services				
Automobile Dealers				
Gross Receipts	\$30	\$.25/\$1,000	\$.20/\$1,000	\$.15/\$1,000

Manufacturers/Wholesalers				
Square Feet of Building Space Occupied **	\$30	\$.02/ Sq Ft	\$1.5/Sq Ft	\$.01/Sq Ft

• Minimum tax due in the first calendar year of business in Lodi (not prorated)

** Not to exceed \$3,000 per year

BUSINESS LICENSE TAX REVENUES

TABLE 2

Business Classification	No of Businesses	Estimated Receipts	Option 1	Option 2	Option 3
Retail and Services					
Gross Receipts					
\$0 to \$200,000	1,660		\$ 66,400	\$ 49,800	\$ 33,200
\$200,001 to \$500,000	475		\$ 42,750	\$ 33,250	\$ 23,750
\$500,001 to \$900,000	220		\$ 33,000	\$ 24,200	\$ 17,600
\$900,001 to \$5 million	158	\$348 million	\$ 208,800	\$191,400	\$174,000
\$5,000,001 and greater	12	\$123 million	\$ 110,700	\$ 92,250	\$ 73,800
Contractors					
Rental Residential Property					
Rental Non-Residential Property					
Gross Receipts	1025	\$170.4 millio	\$ 102,240	\$ 93,720	\$ 85,200
Public Utilities					
Administrative Headquarters					
Gross Receipts	5	\$51 million	\$ 20,400	\$ 17,850	\$ 15,300
Professions					
Gross Receipts	330	\$160 million	\$ 144,000	\$120,000	\$ 96,000
Recreation and Entertainment					
Hotel/Motel Services					
Automobile Dealers					
Gross Receipts	94	\$106 million	\$ 26,510	\$ 21,208	\$ 15,906
Manufacturers/Wholesalers					
Square Feet of Building Space Occupied	330	20,000 Sq Ft	\$132,000	\$99,000	\$66,000
TOTAL REVENUES			\$ 886,800	\$742,678	\$600,756